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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board **July 1989**

SUMMARY

Worldwide, the global business cycle keeps rolling right along, but the regional and national pattern is now more uneven than before.

Regionally, it's the same old story: pedestrian advances in Europe and North America, great vigor in the Pacific Region.

Nationally, the big news again this month is Japan, where the leading index has accelerated dramatically. However, recent advances in this index have been greatly affected by unusually large increases in inventories and consumer intstallment credit. Hence the index may be overstating future prospects.

In other major countries, although the growth rates are still positive in almost every case, the leading indexes have lost momentum. There's enough weakness in both Italian indexes to suggest the possibility of recession. And in the United States, Canada, France and the United Kingdom, the leading indexes have been pretty much flat in recent months.

The new kid on the block is New Zealand (i.e., shown in this report for the first time). The country went through a mild recession in 1987-88, but the leading index has been emitting signs of recovery—irresolute but persistent—for about a year now.

Summary Of Growth Rates, Eleven Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Eleven countries	3	5	5	4	5	10	8	Expansion continuing	Apr.
Ten countries excl. U.S.	3	5	6	5	7	12	11	Expansion continuing, leaders strong	Apr.
North America (2)	3	4	4	4	3	5	4	Expansion continuing	Apr.
Europe (4)	2	5	5	4	5	6	3	Expansion continuing	Apr.
Pacific Region (5)	4	6	7	6	10	21	22	Expansion continuing, leaders strong	Apr.
United States	3	4	5	3	4	4	3	Expansion continuing	May
Canada	3	4	4	3	0	1	2	Expansion continuing	Apr.
West Germany	2	4	5	3	5	7	6	Expansion continuing	May/Apr.
France	2	7	8	6	9	6	3	Expansion continuing	Apr./May
United Kingdom	2	6	5	5	1	3	1	Expansion continuing, leaders weak	Apr.
Italy	2	3	1	-2	4	4	1	Downturn may be developing	Apr.
Japan	4	7	6	7	11	24	25	Expansion continuing, leaders strong	May/Apr.
Australia	3	11	11	15	7	4	6	Expansion continuing	Apr./May
Taiwan, R.O.C.	8	10	6	9	14	8	6	Expansion continuing	May
Korea, R.O.K.	7	7	8	3	9	6	5	Expansion continuing	Apr.
New Zealand	2	-4	-5	-1	1	2	3	Upturn developing	Nov./Apr.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1987-89

		11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Oct.	87	120	133	121	133	120	131	113	118	134	161
Nov.	87	121	132	122	132	120	130	113	117	135	159
Dec.	87	122	132	123	132	121	131	114	117	136	157
Jan.	88	122	132	124	132	121	132	114	118	137	157
Feb.	88	123	132	125	132	122	132	115	118	139	156
Mar.	88	124	134	125	134	122	132	116	119	140	161
Apr.	88	124	135	125	136	122	132	116	119	139	166
May	88	124	136	126	138	123	132	116	120	140	170
June	88	125	137	127	139	123	134	117	120	141	172
July	88	125	137	127	140	124	132	118	121	141	174
Aug.	88	126	139	128	141	124	134	118	121	142	176
Sept.	88	126	138	128	141	124	134	119	122	143	175
Oct.	88	127	139	128	141	125	134	119	122	144	174
Nov.	88	128	139	130	142	125	135	120	123	145	175
Dec.	88	128	141	130	144	126	136	120	123	146	182
Jan.	89	129	144	131	147	126	137	121	124	147	188
Feb.	89	129	144	131	149	127	136	121	124	147	193
Mar.	89	130	144	133	150	127	135	121	124	152	195
Apr.	89	130	146	132	151	127	137	122	124	148	198

11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
6	10	6	13	6	6	5	3	7	28
6	7	6	9	6	4	5	1	7	20
6	6	7	7	6	4	6	1	8	14
6	4	7	5	5	4	6	2	8	10
7	4	8	4	6	3	6	2	10	6
7	5	8	6	6	3	6	3	9	10
6	5	6	7	5	1	5	2	8	13
5	5	6	9	5	1	6	3	6	16
6	7	7	9	5	3	6	4	8	15
5	5	6	9	5	1	6	4	7	15
5	7	6	9	4	4	6	5	7	16
5	5	6	8	4	2	5	4	7	12
5	5	5	7	4	3	5	5	6	10
5	6	6	7	4	3	6	5	7	10
5	8	6	10	4	4	6	5	7	16
5	10	6	12	4	5	5	6	7	21
5	9	6	13	5	4	5	5	6	23
6	8	7	11	4	2	5	4	12	21
4	8	5	11	4	4	4	3	6	22
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, ELEVEN COUNTRIES, 1987-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.		New Zealand	
		Indexes, 1980 = 100																					
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Oct.	87	119	132	125	122	111	117	119	120	112	117	108	115	132	164	126	124	171	194	189	188	114	116
Nov.	87	120	131	126	123	112	116	120	120	113	116	108	115	133	161	126	123	170	191	192	195	114	114
Dec.	87	120	132	127	123	112	116	120	121	113	116	108	115	134	159	128	123	170	193	198	197	113	114
Jan.	88	120	132	127	125	112	117	121	121	114	117	109	114	135	158	128	123	170	192	201	201	112	113
Feb.	88	121	133	128	125	112	118	122	122	115	117	110	115	136	158	130	124	174	197	203	202	111	113
Mar.	88	122	133	128	125	113	118	123	123	116	117	111	116	137	163	132	125	172	201	204	205	111	112
Apr.	88	122	132	129	125	112	118	123	122	116	117	111	116	137	169	130	126	172	202	200	202	110	112
May	88	122	132	129	125	113	119	124	124	117	118	111	117	137	174	131	128	174	205	199	204	110	113
June	88	123	134	130	125	114	119	125	126	117	118	112	117	139	176	133	129	175	206	201	207	110	113
July	88	123	133	130	124	114	120	125	126	118	118	113	117	139	178	134	129	177	209	200	209	109	112
Aug.	88	123	135	130	124	115	121	126	126	118	118	113	118	140	180	134	131	179	215	204	212	109	113
Sept.	88	124	134	131	125	115	121	127	128	116	118	112	118	140	178	137	131	180	217	205	209	109	113
Oct.	88	124	135	131	124	115	121	127	129	119	118	112	119	141	178	138	130	180	218	208	212	110	114
Nov.	88	124	136	132	124	115	122	129	130	120	120	113	119	142	178	138	131	184	219	208	216	110	114
Dec.	88	125	137	132	125	116	123	129	130	121	119	114	119	143	187	140	130	183	218	209	218		115
Jan.	89	126	138	133	126	117	124	130	131	121	120	112	120	144	194	142	131	185	219	212	215		115
Feb.	89	126	137	133	125	118	125	130	131	121	119	113	119	144	200	144	131	183	219	214	210		115
Mar.	89	127	136	133	125	118	126	131	130	122	119	112	119	149	202	144	132	185	226	214	216		115
Apr.	89	127	138	133	126	118	126	131	128	122	119	111	118	145	206	148	131	185	223	210	217		116
May	89	127	137			117			130					147			134	189	223				
		Growth Rates, Percent																					
Oct.	87	6	6	7	5	3	5	6	3	7	2	3	0	6	32	6	8	10	18	12	9	3	0
Nov.	87	5	4	7	6	4	2	7	3	7	0	3	−1	7	22	5	5	8	13	13	13	3	−3
Dec.	87	6	4	7	5	4	2	7	2	8	−1	4	−1	7	15	8	4	6	13	17	14	1	−4
Jan.	88	5	3	7	6	3	3	7	2	8	2	5	−2	7	10	7	3	4	9	18	16	−1	−4
Feb.	88	5	3	6	5	4	3	8	4	8	1	6	0	10	6	8	4	8	12	18	14	−3	−5
Mar.	88	6	3	7	5	4	3	8	4	8	1	7	2	9	10	9	5	4	14	15	15	−3	−5
Apr.	88	5	1	6	4	3	4	6	3	8	1	7	2	8	14	6	6	4	12	10	10	−4	−4
May	88	4	1	6	3	3	4	7	4	7	2	6	3	7	17	6	8	4	14	7	9	−4	−3
June	88	5	3	6	3	4	4	7	7	7	2	7	3	8	16	9	8	5	12	7	11	−4	−2
July	88	4	1	5	1	3	5	7	6	6	2	7	3	7	16	9	7	6	13	5	12	−5	−4
Aug.	88	4	4	5	1	5	5	8	6	6	2	6	4	7	16	7	9	8	17	7	13	−5	−1
Sept.	88	4	2	5	1	4	4	8	8	6	1	4	4	7	13	10	8	8	16	6	7	−3	−1
Oct.	88	4	3	4	0	3	5	7	8	6	1	3	4	6	11	11	5	7	15	7	9	−2	1
Nov.	88	4	4	4	0	4	4	8	9	7	4	4	3	7	10	9	7	10	14	7	10	−1	3
Dec.	88	4	5	4	0	4	6	7	7	6	2	4	3	7	18	11	4	8	11	6	11		2
Jan.	89	5	5	4	1	5	7	8	8	5	3	1	4	7	24	11	4	9	10	8	6		2
Feb.	89	5	4	4	1	5	8	7	6	5	2	1	2	6	27	12	4	6	8	8	1		3
Mar.	89	4	2	3	1	5	7	7	5	6	1	−1	1	13	24	11	4	7	12	9	5		3
Apr.	89	4	4	3	2	6	6	6	1	5	1	−2	1	5	25	15	2	5	7	3	5		3
May	89	3	3			3			3					7			6	9	6				
		Ten Year Annual Growth Rate, Percent																					
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7		2